

AIS (American Iron and Steel) Requirements for Clean Water and Drinking Water SRF loans

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AIS (American Iron and Steel)

•Agenda

- Who has to comply?
- What are the requirements?
- What products does this apply to?
- What are the waivers and exceptions?
- What kind of documentation do I need?

The AIS requirement

“No SRF funds shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.”

Who Does AIS Apply To?

- Any project funded in whole or in part with SRF loan funds
- Construction, alteration, maintenance, or repair of a **public water system** or **treatment works**
- The entire project
 - no matter when construction begins or ends
 - Including partial funding

What is a project?

- A “project” consists of all construction necessary to complete the building or work
- May involve multiple contracts or loan agreements.
- “closely related in purpose, time and place”.

What products are covered?

- Only Iron and Steel Products
 - primarily of iron or steel
 - more than 50% iron or steel
 - based on the material costs
 - Permanently incorporated into the project.
- Does not include mechanical or electrical components

Temporary Items

- Temporary Items are not required to be made of U.S. Iron or Steel
 - For example:
 - trench boxes
 - scaffolding or equipment
 - Other temporary items necessary to the project that are removed from the site upon completion.

What does “produced in the united states” mean?

- All manufacturing processes, must take place in the United States
- including application of internal linings,
- But not metallurgical processes involving refinement of steel additives

Manufacturing Processes

- melting,
- refining,
- forming,
- rolling,
- drawing,
- finishing,
- fabricating, and
- Coating.

Manufacturing Processes

- If any part of the manufacturing process occurs outside of the US, it becomes foreign product.
- Raw materials are not covered by the AIS requirement,
 - iron ore, limestone and iron and steel scrap
 - exterior coating material(s)
 - pig iron and direct reduced iron
- Non-iron or steel components of an iron and steel product may come from non-US sources.
 - valves and hydrants
- AIS does not apply to re-used items.

Other domestic preference legislation Don't Get Confused.

- Buy American Act
- But America Act (DOT projects)
- American Reinvestment and Recovery Act
- Trade Agreements
- Source of Raw materials?
- “all” or “substantially all”?
- US corporations or US workers?

Specific Products

Products Specifically Mentioned in the AIS requirement

1. Lined or unlined pipes or fittings;
2. Manhole Covers;
3. Municipal Castings* ;
4. Hydrants;
5. Tanks;
6. Flanges;
7. Pipe clamps and restraints;
8. Valves;
9. Structural steel* ;
10. Reinforced precast concrete* ; and
11. Construction materials* .

Municipal Castings

- Cast iron or steel products
- melted and cast
- typically provide access, protection, or housing for components
- Typically made of grey iron, ductile iron, or steel.

Examples of municipal castings

- Access Hatches;
- Ballast Screen;
- Benches (Iron or Steel);
- Bollards;
- Cast Bases;
- Cast Iron Hinged Hatches, Square and Rectangular;
- Cast Iron Riser Rings;
- Catch Basin Inlet;
- Cleanout/Monument Boxes;
- Construction Covers and Frames;
- Curb and Corner Guards;
- Curb Openings;
- Detectable Warning Plates;
- Downspout Shoes (Boot, Inlet);
- Drainage Grates, Frames and Curb Inlets;
- Inlets;
- Junction Boxes;
- Lampposts;
- Manhole Covers, Rings and Frames, Risers;
- Meter Boxes;
- Service Boxes;
- Steel Hinged Hatches, Square and Rectangular;
- Steel Riser Rings;
- Trash receptacles;
- Tree Grates;
- Tree Guards;
- Trench Grates; and
- Valve Boxes, Covers and Risers.

Structural steel

- Structural steel in rolled or flanged shapes
- I-beams, channels, angles, tees and zees.
- One dimension of their cross-section three inches or greater

Reinforced precast concrete

- The casting of the concrete product must take place in the US.
- We know that reinforced precast concrete is not 50% iron or steel, but it is specifically called out in the law.
 - Includes PCCP pipe
- The reinforcing bar and wire must be produced in the US
- The cement and other raw materials not required to be from the US.

Construction materials

- Construction materials are permanently incorporated into the project
- Construction Materials do not include mechanical and/or electrical components, equipment and systems.
- May overlap with what is also considered “structural steel”.

Examples of Construction materials

- wire rod,
- bar, angles,
- concrete reinforcing bar,
- wire,
- wire cloth,
- wire rope and cables,
- tubing,
- framing,
- joists,
- trusses,
- fasteners (i.e., nuts and bolts),
- welding rods,
- decking,
- grating,
- railings,
- stairs,
- access ramps,
- fire escapes,
- ladders,
- wall panels,
- dome structures,
- roofing,
- ductwork,
- surface drains,
- cable hanging systems,
- manhole steps,
- fencing and fence tubing,
- guardrails,
- doors, and
- stationary screens.

Exceptions and Waivers

Exceptions & Waivers

- Exceptions
 - Loan execution
 - Design approval
- Waivers are available on a product by product basis.
 - The SRF agency must file the application for a waiver.
 - Full documentation must be provided by the loan recipient.

Exceptions

- Prior Design Approval
 - If your plans and specs were approved prior to April 15, 2014
 - Approval was by the state agency under normal course of business
 - OR bid advertisement date prior to April 15, 2014

All AIS requirements for the project are waived

Exceptions

- Prior Loan signature
 - If your **loan agreement was signed prior to January 17, 2014**, AIS requirements do not apply to the project
- This only applies to the project funded by that loan
 - If a new loan for a following phase, it may include the AIS requirements

Waivers

- When to apply for a waiver
 - As soon as possible
 - Iron and steel products should be evaluated during design
 - Pre-bid conferences can identify domestic availability
 - EPA has not committed to a timeline on waiver response; could be up to 6 weeks
 - There is a required 15 day public comment period

Types of Waivers

- Public interest
 - Application must show that the AIS requirements would be inconsistent with the *public interest*
- Product waivers
 - Waiver application must show that domestic iron and steel products are not produced:
 - in sufficient and reasonably available quantities, or
 - of a satisfactory quality
 - i.e. you can not get the product you need from US sources
- Cost
 - Waiver application must show that the AIS requirement will increase the cost of the overall project by more than 25 percent.

How to apply for a waiver

- Communicate with your state contact
- If a waiver is advisable prepare a letter
 - Agency letterhead
 - Directed to state agency
 - Fully explain need and justification for the waiver
- State will work with you to refine and improve the letter
- State contact will submit the waiver request to EPA

Our Waiver Experience

- Most waivers issued are product waivers
- DOH emergency waiver
- City of Spokane plug valve public interest waiver
- National Waiver for Stainless Steel Nuts and Bolts used in Pipe Couplings, Joints, Flanges, etc.
- National *de minimis* waiver
- http://water.epa.gov/grants_funding/aisrequirement.cfm

de minimis waiver

- National waiver issued for *de minimis* items.
- *de minimis* items are:
 - incidental components
 - Low cost, miscellaneous character, procured in bulk
 - Washers, screws, fasteners, wire, corner bead, ancillary tubing, etc.
- Cost limits
 - Cumulative cost less than 5% of the total material cost of the project.
 - Any individual item less than 1% of the total material cost of the project
- To use the *de minimis* waiver you must document:
 - Specific *de minimis* items
 - Their cost
 - Project total material cost

Document
Document
Document

AIS Required Documentation

- Step certification.
 - Documentation of each step in the manufacturing process
 - Each handler certifies their step(s) took place within the United States
 - Creates a paper trail back to raw materials
- Certifications must state:
 - the name of the manufacturer,
 - the location of the manufacturing facility where the product or process took place (not its headquarters)
 - a description of the product, item, or process
 - a signature by a manufacturer's responsible party

AIS Required Documentation

- Certification examples:
 1. A refines iron ore, forms and rolls I-beams at their facility
 - One certification from A
 2. B refines iron ore to ingots. C melts the ingots and centrifugally casts ductile iron pipe. D applies an external coating to the pipe. E applies a glass lining to the pipe
 - 4 steps, 3 need certifications. (B, C and E)process
 - No certification required for external coating.
 - No certifications for the raw materials. Ore, glass frit, coating, etc.

Appendix F: Sample Certifications:

The following information is provided as a sample letter of *ais* certification for AIS compliance. Documentation must be provided on company letterhead.

Date _____

Company Name _____

Company Address _____

City, State Zip _____

Subject: American Iron and Steel Usage Certification for Project 000000000000

I, (company representative), certify that the (casting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project is in full compliance with the American Iron and Steel requirement as mandated in EPA's Iron Recycling Fund Program.

Item, Products and/or Materials:

1. None
2. None
3. None

Such process took place at the following location:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative _____

Site Visits

What to expect during site visits

- | American Iron and Steel (AIS) | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> | Recipient maintains records for Iron and Steel products? |
| <input type="checkbox"/> | Spot check of Certifications for completeness and adequacy. <ol style="list-style-type: none">1. the name of the manufacturer,2. what product(s) they are certifying,3. what manufacturing processes they were responsible for,4. the location of the manufacturing facility, and5. a signature of a manufacturer's responsible party. |
| <input type="checkbox"/> | Recipient cross checks received equipment against the certifications to ensure compliance |
| <input type="checkbox"/> | Recipient reviews change orders for AIS requirements |
| <input type="checkbox"/> | Recipient documentation of <i>de minimis</i> Iron and Steel products <ul style="list-style-type: none">• Listing of all <i>de minimis</i> products and their material cost.• Documentation of the total material cost for the project.• Total cost of the <i>de minimis</i> items is less than 5% of the total materials cost. |
| <input type="checkbox"/> | Has the Recipient had any difficulty finding domestic providers for Iron and Steel products? |
| <input type="checkbox"/> | Offer the Recipient assistance with a waiver for any Iron and Steel products. |

Contacts & Resources

- David Dunn, Department of Ecology
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- Janet Cherry, Department of Health
 - (360) 236-3153
 - janet.cherry@doh.wa.gov
- Rick Green, EPA Region 10
 - (206) 553-8504
 - Green.richard@epa.gov
- Other resources
 - http://water.epa.gov/grants_funding/aisrequirement.cfm

EPA central cite for AIS requirements, guidance, new waivers, public comment on waivers